

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

DOCKET NO. 2007-464-C - ORDER NO. 2008-296

APRIL 15, 2008

IN RE:	Application for Approval of the Mergers of CTC Long Distance Services, LLC and CTC Exchange Services, Inc. with Windstream Communications, Inc.) ORDER APPROVING) MERGER OF CTC LONG) DISTANCE SERVICES,) LLC AND CTC) EXCHANGE SERVICES,) INC. WITH) WINDSTREAM) COMMUNICATIONS,) INC.
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Pursuant to S.C. Code Ann. § 58-9-310 (Supp. 2007), this matter comes before the Public Service Commission of South Carolina ("Commission") on the application to merge CTC Long Distance Services, LLC ("CTC Long Distance") and CTC Exchange Services, Inc. ("CTC Exchange") with Windstream Communications, Inc. ("Windstream") (collectively the "Applicants"). According to the application, the merger entails a transfer of long distance customers from CTC Long Distance to Windstream with Windstream becoming the surviving entity, withdrawal of the regulatory certificates of CTC Long Distance and CTC Exchange, and an approximate ten percent change in ownership of Windstream. Windstream states that although CTC Long Distance customers may experience some change in the type of calling plans offered, the merger is not expected to result in the loss of service to any of the merged company's customers, and any future rates or changes in service will be made in conformity with all of the Commission's rules and regulations.

Windstream also states that it will provide notice to the merged company's customers of the change in service provider as mandated by the "anti-slamming" requirements of 47 C.F.R. § 64.1120(e). Furthermore, Windstream maintains that CTC Long Distance customers will be provided with new, toll-free, contact information on their bills to order new services, report service problems, and inquire about billing or other customer care issues. In addition, Windstream has already published general notice of the merger in the *Greenville News* newspaper on January 10, 2008, *The State* and the *Post and Courier* newspapers on January 11, 2008, and *The Herald* newspaper on January 12, 2008. No protests or petitions to intervene have been received by the Commission.

The record reveals that this merger is a result of a larger merger between the parent companies of CTC Long Distance, CTC Exchange, and Windstream. The record also reveals that CTC Long Distance is wholly owned by CTC Exchange and provides intrastate interexchange services, as granted by Order No. 1997-75 (dated January 28, 1997), to 91 customers in South Carolina. CTC Exchange is certified to provide competitive local exchange carrier ("CLEC") service in South Carolina, as granted by Order No. 2000-42 (dated January 12, 2000), but does not have any customers in the State. Windstream is a Delaware corporation certified in South Carolina as an interexchange reseller and CLEC provider, both granted by Order No. 2006-186 (dated March 28, 2006),¹ that currently provides long distance service to 36,131 customers in the

¹ Windstream Communications, Inc. received these certificates under the name Alltel Holding Corporate Services, Inc. The name was changed and approved by the Commission in Docket No. 2006-146-C.

State. The Applicants maintain that they do not anticipate the merger causing staffing or managerial changes at either CTC Long Distance or CTC Exchange at this time.

We find that Windstream has the managerial, technical, and financial capabilities to provide the services resulting from this merger. We further find that the provision of these interexchange reseller and CLEC provider services under the certificates currently held by Windstream make the respective certificates held by CTC Long Distance and CTC Exchange redundant once the merger is completed. Lastly, we find that the merger of the above mentioned companies into Windstream is in the public interest because it will ensure continuity of service between these affiliates, enable them to respond efficiently and effectively to the needs of customers, and not result in any material change in service to customers.

IT IS THEREFORE ORDERED:

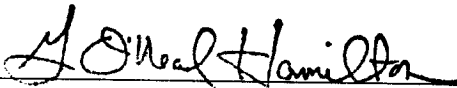
The merger between CTC Long Distance Services, LLC and CTC Exchange Services, Inc. with Windstream Communications, Inc. is approved. Once the merger is complete, the certificate to provide intrastate interexchange services of CTC Long Distance and the certificate to provide CLEC provider services of CTC Exchange are void and cancelled. Additionally, the ten percent change in ownership of Windstream to CT Communications, Inc. is approved.

However, approval of this merger is contingent upon Windstream's agreement to assume, going forward, the CTC companies' financial obligations for state Universal Service Fund, Interim LEC Fund, and Gross Receipts. Moreover, Windstream must agree to amend its tariff to include the services, rates, and charges of CTC Long Distance,

which will allow CTC Long Distance customers to enjoy their existing service under the same rates, terms, and conditions. Finally, the CTC companies are required to provide the Commission and the Office of Regulatory Staff notification of the completion of the transaction such that their certificate of public convenience and necessity may be cancelled.

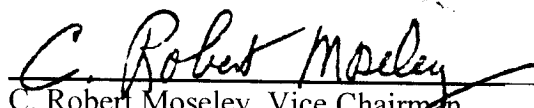
This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL)